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Senate Bill _____
By _____

House No. HB1722
By Jackson

AN ACT to amend Tennessee Code Annotated, Section 50-6-616, relative to the Workers' Compensation Insurance Fund Act of 1992 and Tennessee Code Annotated, Section 56-5-314(c)(2), relative to the application of the assigned risk plans to the Workers' Compensation Insurance Fund.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-6-616, is amended by deleting the section in its entirety and substituting the following:

(a) In addition to appropriations made pursuant to Tennessee Code Annotated, Section 50-6-621, the state of Tennessee is authorized to make appropriations including a sum sufficient appropriation to the fund to be used by the fund as a last resort if its reserve requirements or policyholder obligations cannot otherwise be met. Any appropriation shall remain part of the state treasury and protected by sovereign immunity like other funds in the state treasury until drawn upon by the fund. The fund shall be obligated to reimburse the state for any funds drawn upon, plus the interest that the state would have earned on such funds if it had not been drawn upon. The obligation to reimburse the state shall be subordinated to its reserve requirements and policyholders' obligations. When the fund meets the regulatory requirements of insurance companies

without access to the appropriation, the fund shall release its ability to draw upon the appropriation. The state shall not be considered as having been repaid for start-up costs until the fund has released its ability to draw upon this appropriation.

(b) For purposes of licensing and regulating the fund as an insurance company, the state appropriation subject to being drawn upon by the fund shall be considered an admitted asset and exempt from the investment requirements of insurance companies.

(c) Within thirty (30) days of the fund using the appropriation to meet its obligations, it shall report to the governor and the speakers of both houses the reason it become necessary to draw upon the appropriation and its plans for reimbursing the state.

SECTION 2. Tennessee Code Annotated, Section 56-5-314(c)(2), is amended by inserting after "Section 50-6-405" and before the comma and the word "undertaking" the following language: "and except the Workers' Compensation Insurance Fund created by Section 56-6-601 et seq.".

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.